banks and Chief General Managers in Associate Banks of State Bank of India. Recommendations are made by the Board from out of the panel. However in exceptional cases, particularly when suitable executives are not available from the banking system, Government do appoint officers belonging to the IAS and other services as Chairman and Managing Director of banks, keeping in view the special circumstances obtaining in such banks.

Recovery of Bad and Doubtful Advances of Banks

937. SHRI TRILOKINATH CHATURVEDI :

DR. MURLI MANOHAR JOSHI : Will the Minister of FINANCE be pleased to state :

(a) what is the estimated amount of bad and doubtful advances made by the nationalised banks as on the 31st March, 1993;

(b) in what manner Government propose to deal with the matter and whether Government propose to revamp the working of all nationalised banks; and

(c) if so, whether the details in this regard have been worked out ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE AND MINISTER OF STATE IN THE MINISTRY OF PARLIAMENTARY AFFAIRS (DR. ABRAR AHMED) : (a) In accordance with the statutes governing the nationalised banks as also in terms of the practices and usages customary amongst bankers, the banks do not disclose the quantum of bad and doubtful debts.

(b) and (c) Reserve Bank of India (RBI) have issued detailed guidelines to all public sector banks on write off of bad debts/losses and compromises with debtors/borrowers. These guidelines identify the issues to be taken into consideration before any amount is written off by the authorities. These guidelines stipulate inter-alia that the authority which had sanctioned the advance in question should not write off the same. The guidelines also provide that all possible steps should be taken for recovery of the dues. Government has also decided to set up Special Tribunals for recovery of dues of banks and financial institutions.

938. [*Transferred to 13th May, 1993*]

Steps to Check Hawala Trade

939. SYED SIBTEY RAZI : Will the Minister of FINANCE be pleased to state :

(a) whether Government are aware that despite attractive policies of Government such as full convertibility of rupee, Gold Bond Scheme and import of Silver and Gold scheme, hawala trade has been operating without showing any sign of decline;

(b) if so, what are the reasons identified for failure to check hawala trade ;

(c) what is the estimated hawala trade carried out annually; and

(d) what changes in the rules & regulations in this regard are contemplated by Government to check such transactions ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M.V. CHANDRASHEKHAR MURTHY) : (a) to (d) Several indicators like intelligence reports, number of cases detected, spread between the official and market exchange rates point towards a decline in Hawala trade.

It is difficult to estaimate the quantum of Hawala trade, it being a clandestine operation. Apart from enforcement of existing laws and rules, Government has

made several changes in economic policies to discourage smuggling and Hawala transactions.

Assistance provided by SCICI

940. SHRI MENTAY PADMANABHAM : Will the Minister of FINANCE be pleased to state :

(a) whether it is a fact that SCICI had helped many shipping companies like ESSAR and Scindia to revive their fortunes and get back ownership of their ships;

(b) if so, what are the details of the revival schemes nurtured by SCICI to such large firms;

(c) whether it is also a fact that SCICI is very hesitant to extend the same terms to the deep-sea fishery sector; and

(d) what are details of the discrepancy between the shipping sector and the fishery sector ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE AND MINISTER OF STATE IN THE MINISTRY OF PARLIAMENTARY AFFAIRS (DR. ABRAR AHMED) : (a) and (b) Government of India, with SCICI Ltd. acting as its 'designated person', had given rehabilitation packages for sick but viable shipping companies assisted by erstwhile Shipping Development Fund Committee (SDFC). However, no rehabilitation package was given to M/s. Scindia Steam Navigation Co. Ltd. and M/s. Essar Shipping Ltd. The details of rehabilitation packages formulated in consultation with SCICI are as under :—

(i) Restructuring and rescheduling of outstanding principal debt, taking into account, inter-alia, the current market value of the fleet, the projected profitability and related factors.

(ii) Overdue interest to be converted to 6 per cent subordinated loan, redeemable when cash flow permits.

(iii) Replacement of overaged tonnage by modern, fuel efficient and younger vessels, wherever necessary, for which companies were to raise funds of at their own without any additional loan from the Government of India.

(c) and (d) No Sir. Government of India, in consultation with SCICI has formulated rehabilitation packages for the sick but viable fishing companies assisted by erstwhile SDFC. There-habilitation scheme includes restructuring of debts, extention of repayment period, waiver of penal interest, additional loan and subsidy for vessel modification/refitment etc., which is generally more liberal as compared to the shipping sector. However, the reliefs extended under the rehabilitation packages are specific taking into consideration the distinct set of difficulties faced by the two sectors, and are, therefore, not comparable.

Income-Tax Returns of the henior Vice President of ITDC

941. SHRI V. GOPALSAMY :
SHRI K. K. VEERAPPAN :

Will the Minister of FINANCE be pleased to state :

(a) whether Government have verified the income tax and wealth tax returns for the last three years of the Senior Vice President of ITDC (CS & HRD);

(b) whether any notice has been issued to him under Income Tax Act and wealth Tax Act and he has been asked to fill in the questionaire;

(c) whether any search has been conducted either at the residence or at the office, if so, what are the details thereof and if not, what are the reasons therefore;